

## Side Events

### Beyond the numbers towards sustainable economic growth

30 November 2016, 1:30 - 2:30 pm

#### Objective:

'Africa Rising' is no longer a buzzword, but a reality against the backdrop of enormous strides seen across the continent. Most notably economic growth, which has surpassed major global economies. However some questions about this growth have emerged;

- Has the economic growth successfully converted into improvement of quality of life?
- Are we closer to bridging the yawning chasm between the rich and the poor?
- How many citizens are being lifted out of poverty as a direct effect of the economic prosperity?

Invariably, for a nation or business to thrive, it needs to operate in a sustainable and prosperous society.

The objective of the session was to raise awareness to the present stakeholders of the benefits of incorporating social progress indicators in their organizations as an added measure of their performance. Further, to get the stakeholders to discuss and begin to think how they can form successful partnerships between government, private sector and civil societies to work towards the realization of sustainable development goals through the incorporation of these parameters.

#### Participants:

Moderator: Doreen Mbogho - Partner, Deloitte East Africa

#### Panel

Jane Karuku - Managing Director, Kenya Breweries Limited

Wanjiru Gikonyo - Managing Director, The Institute for Social Accountability

Carlton Jones - Partner, Deloitte East Africa ()

#### Key issues discussed:

##### **The role of different stakeholders towards ensuring social progress**

Social progress is everyone's responsibility. Governments to be functional in order to deliver on their mandate to their citizens. Government functionality can be supported by keeping it in accountable and partnering with it in the execution of various initiatives. Governments also have the added role of developing and implementing the necessary, policies and regulations that are necessary to create a conducive environment for sustainable economic progress. The private sector, by virtue of being the biggest employer in most countries has the responsibility of ensuring social progress. Businesses must operate in an ethical manner that gives them the social capital required to operate in society. The private sector also plays a role in investing in necessary social infrastructure that benefit the society e.g. the biggest investment in social areas such as education and health come from the private sector. When government develops policies and regulations, the private sector is expected to abide by them for the good of the country. In implementing policies such as local content requirements, the private sector ensures that the benefits arising from their

businesses are accruing to the societies that they operate in. Civil society's role has been the government's watchdog. In the developing world, International Donor Organisations play the additional role of funding. This allows them to channel finances towards programmes that enhance social wellbeing of the citizens.

### **Measuring social progress?**

The civil society has long played the role of measuring and reporting on the effectiveness of government expenditure. However the impact of this measurement has probably not resulted in any significant change in the way governments operate. Governments in Africa have long been focused on spending on hard infrastructure over social issues which have largely been left to the international donor community. This is partly necessitated by the huge infrastructure benefit that has existed in the continent. However, despite the significant infrastructure investments made so far, there is still a sense of underutilisation of these assets. This is likely in part due to a lack of education to the populace on how they can effectively utilise existing infrastructure for social and economic wellbeing.

The private sector has begun adopting sustainability reporting as part of corporate governance. This is still nascent in the developing world and largely restricted to large multinationals. The fact that this is taking place is a good start, but a lot of education needs to take place for indigenous businesses on the value of measuring sustainability within their businesses. We must remember that while not directly correlated, social progress is linked to economic performance.

### **Ensuring collaboration works for citizens**

Public Private Partnerships (PPP) have been in existence for many years, but there has been a feeling that while they work, they do not necessarily benefit the citizens whose problems they are meant to address. First, it must be recognised that the delivery of public services on behalf of the government is a devolved function therefore, the delivery and outcomes of PPPs must be focused on citizen well-being above all else. The only way to achieve this is by involving the very citizens that such initiatives are meant to benefit. By doing this, we can empower citizens to be able to have a say in how they country is run.

PPPs also need to be responsive to the needs of the informal sector which, in the developing world, employs the largest proportion of young people which as identified by the 2016 Social Progress Index Report, experience relatively low social progress. A possible approach is by creating sustainable community organisations that are set up to address the challenges in their locality.

### **How do we make the Social Progress Index (SPI) top of mind issue?**

We still do not recognise the importance of the Social Progress index. Doing business as usual is still regarded as more important than social progress. Given the potential dire consequences of ignoring social progress it cannot remain a side debate for longer.

Education on the Social Progress Index and its components has to begin by forums such as these where we bring in diverse stakeholders to discuss and agree on ways forward on the adoption of SPI. The discussion on SPI has to move from being a conference issue to being a boardroom issue that is not only discussed by the highest levels of business and government, but becomes part and parcel of strategy execution.

### **Main conclusions and next steps:**

Government and Private sector need to take adopt elements of the Social Progress Index and begin to measure their activities against them. These measures should be not just be a nice to have, but be given the same prominence as business and financial targets.